

1 ALASKA MENTAL HEALTH TRUST AUTHORITY

2 SPECIAL FULL BOARD MEETING

3 October 26, 2016
4 11:45 a.m.

5 Taken at:
6 3745 Community Park Loop, Suite 120
7 Anchorage, Alaska

8 Trustees present:
9 Russ Webb, Chair
10 Carlton Smith
11 Laraine Derr
12 Jerome Selby
13 Paula Easley
14 Mary Jane Michael
15 Larry Norene

16 Trust staff present:
17 Jeff Jessee
18 Steve Williams
19 Miri Smith-Coolidge
20 Amanda Lofgren
21 Heidi Wailand
22 Carley Lawrence
23 Kevin Buckland
24 Luke Lind
25 Michael Baldwin
26 Carrie Predeger
27 Katie Baldwin-Johnson
28 Valette Keller

29 Trust Land Office present:
30 John Morrison

31 Also present: Kathy Craft; Kate Burkhart; Patrick
32 Reinhart; Sherry Henshaw; Faith Myers; Dorrance
33 Collins; Susan Musante; Lisa Cauble; Brenda Moore;
34 Charlene Tautfest.

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PROCEEDINGS

MR. WEBB: We're running late.
So, I apologize for that. And I'll call the
Special Full Board of Trustee meeting to order.

And I have -- I'll do a quick
roll call. All trustees are present and
accounted for today.

And we have an agenda, a brief
agenda, essentially, with two items; but,
Larry, you had reserved some time for an
executive session. I don't believe that will
be necessary.

MR. NORENE: I -- I don't think
it's necessary.

MR. WEBB: Okay. Then if there's
an amendment to the -- to remove that from the
agenda, that would be in order.

MR. NORENE: So moved.

MR. WEBB: Is there a second?

MS. EASLEY: Second.

MR. WEBB: Any objection to
removing the executive session from the agenda?

Hearing none, that's approved.

The agenda now has a single
item --

1 MS. DERR: Mr. Chair, I don't
2 know if this is to be added to the agenda or
3 not. But we've got a letter from a couple
4 people that I think we need to talk about in
5 regard to an audit, and I don't know if that's
6 a legal issue that we need to go into executive
7 session in regard to or not?

8 MR. WEBB: As far as I know, it's
9 not a legal issue. It's not on the agenda, but
10 if you -- if you want to add it and vote on
11 that to add it to the agenda, we can do that.

12 MS. DERR: Well, just -- my
13 question is: How do you plan to handle it?

14 MR. NORENE: Mr. Chairman.

15 MR. WEBB: Larry.

16 MR. NORENE: I plan to comment on
17 it. I presume it would provide at the Resource
18 Management Committee in that we have an agenda
19 item related, but I'm flexible to --

20 MS. DERR: Well, my concern is
21 it's in regard to the policies of the Trust and
22 not the Resource Management Committee, so
23 that's why -- so that's why I would recommend
24 it be handled at the board level.

25 MR. WEBB: I'll tell you, there

1 are two things right now. All I know about
2 since I just got into town late yesterday, is
3 I've seen two letters from two individuals
4 seeking the Legislative Council in one letter
5 to do an audit of the Trust Land Office and
6 various items related to the Trust Land Office.

7 The second letter was directed,
8 if I remember correctly, to Representative
9 Hawker seeking to have Representative Hawker
10 ask for a legislative audit, basically, of the
11 same things. Firstly, because the first letter
12 doesn't accomplish anything. One of the
13 legislators can ask for a legislative audit, so
14 citizens don't just get to ask for a
15 legislative audit.

16 So, we don't have an action item
17 in terms of at the moment there is no
18 legislative audit pending that I'm aware of. I
19 don't know when or if the Legislative Council
20 intends to act on the matter. My -- my
21 personal approach to this, having been through
22 probably more legislative audits than anybody
23 else in the state government over the years,
24 would be to first talk to the individuals who
25 sent the letter to try to learn what their

1 purpose is.

2 Two, then to speak with the chair
3 of the Legislative Council, Senator Stevens,
4 who one letter was addressed, and then second
5 to Representative Hawker who the other was
6 addressed, and to see what their intentions
7 are. And if there was an action item for the
8 Trust to take up at some point, we would do it.

9 Is that --

10 MS. DERR: Okay. I mean, you got
11 back last night. I got back midnight from
12 Amsterdam, being gone for two weeks. Jerome
13 just got back two hours after -- three hours
14 after I did. So we're all in the same boat in
15 terms of that.

16 MR. WEBB: Okay. Then, you know,
17 perhaps we can digest the letters which I
18 haven't even completely fully read yet, and
19 then try to figure out where we go from here.

20 MS. DERR: Okay. I just -- thank
21 you, I just wanted to address that.

22 MR. WEBB: Okay. Thanks.

23 Okay. We have an agenda item on
24 the Mental Health Trust Authority operations
25 and organizational review and personnel issues.

1 Larry.

2 MR. NORENE: Mr. Chairman, it's
3 become clear, as long as two years ago,
4 certainly a year ago, that we need change in
5 our organization -- to meet the needs of our
6 beneficiaries of the future -- today.
7 Specifically, with regard to principal and
8 income. We need a new effort and orientation
9 of leadership to accomplish that. That
10 includes the trustees.

11 And the present fiscal crisis
12 exacerbates that problem. We'll never see \$100
13 barrel oil again for the foreseeable future.

14 Now, to meet those needs in the
15 future, we need forecasting of the requirements
16 and the costs of the numbers to be served, of
17 our income, the ever changing issues at the
18 Trust Land Office in terms of mineral values,
19 you know, gas and oil, all of those things. We
20 have an environment on that organization that's
21 very dynamic. And we'll need to have our
22 organization work very closely.

23 We need understanding of our cash
24 investments and possible modification of those
25 investment strategies. And, you know, the

1 trustees don't have the expertise at this time
2 to really deal with the strategies without a
3 lot more education.

4 And we, especially need to
5 understand, guide and support the efforts of
6 the TLO for providing both growth and income.
7 And we need efficiency and effectiveness in our
8 relation.

9 Now, our present staff
10 leadership, our CEO, has been very successful
11 in really creating an organization and
12 providing that leadership up to this time. And
13 without all of those efforts it would not be
14 where it is today. And I certainly recognize
15 that.

16 But, I certainly recognize if we
17 have a newer, more financially oriented
18 organization to deal with these other issues,
19 our present CEO doesn't have the skill set for
20 those particular issues.

21 But he certainly has been and
22 continues to be valuable to this organization
23 in terms of the skill sets that he does have.

24 And he doesn't have the ability
25 to work closely with the TLO, which will be a

1 particular requirement for a new organization.

2 And, similarly, we as trustees
3 can't work effectively together at this time
4 with other issues involved.

5 So, I feel that we need to look
6 at our organizational structure, a different
7 style leadership. It will take all the
8 trustees to determine what that is. And I have
9 my own ideas, but that's only one of seven
10 people. And so we need to roll up our sleeves,
11 create a new plan where we have two diverse
12 organizations that should be able to work very
13 closely together to accomplish which we will be
14 at historic change in -- in the Trust.

15 So, my thoughts are that we need
16 a different style of leadership, both trustees
17 and CEO.

18 MR. WEBB: And, Larry, I received
19 from Jeff a document that I think --

20 MS. DERR: Excuse me, Mr. Chair.

21 MR. WEBB: Sure.

22 MS. DERR: Just in regard to what
23 Larry just said, I thought that's what we
24 discussed at the last -- at the Executive
25 Committee meeting that we were going to look at

1 organizational review, and we put out -- we had
2 a request for information to put out an RFP
3 to -- for all the trustees to look at that.

4 Is that what you're talking
5 about?

6 MR. NORENE: No, I'm talking
7 about a new organizational plan. I think --

8 MS. DERR: Well, that's what we
9 talked about.

10 MR. NORENE: You might be
11 thinking of our allocation?

12 MS. DERR: No, I'm talking about
13 the organizational review we talked about at
14 the last meeting. We prepared a request for
15 information in regard to do that.

16 MR. WEBB: We did, and as I
17 recall, Carlton made his suggestion that the
18 request for information was probably not the
19 direction the trustees really intended it to
20 be, and if I remember correctly -- Carlton, you
21 correct me if I'm wrong -- it was your
22 suggestion that we step back from that and have
23 the trustees really sit down and take a real
24 hard look at what we were trying to accomplish,
25 and then perhaps move forward at some future

1 date with -- after we clearly defined the
2 organizational review that we undertake. Is
3 that --

4 MR. SMITH: The only thing I
5 would add to that is this will take a
6 substantial commitment in time to do it at the
7 trustee level.

8 MR. SELBY: Mr. Chairman, I guess
9 I'm a little curious about what the purpose of
10 today's meeting is.

11 Anyway, first of all, I find it
12 pretty curious that there's no packet material
13 provided to the board on which to base an
14 intelligent discussion on anything. I find
15 that especially a disservice to the Trust
16 beneficiaries because they have no way of
17 having any idea of what this board meeting is
18 about, and this is their organization. It's
19 not our organization sitting up here. It's the
20 beneficiaries' organization.

21 So, if I were a beneficiary, I'd
22 be sitting out there today knowing that there's
23 a board meeting being taken place that's
24 talking about the organizational structure,
25 apparently -- I don't know that because I don't

1 have any information -- of their organization,
2 and how services are going to be provided to
3 them in the future, and they have no
4 opportunity to have any information about that
5 or any input, obviously, into that discussion.
6 And that is a -- that is a major disservice to
7 the Mental Health Trust beneficiaries in the
8 state of Alaska that this board is responsible
9 for at this meeting if we go ahead with it.

10 Now, I have a major problem with
11 what Larry said. Because what I heard Larry
12 say is we're going to change the structure of
13 this organization, the beneficiaries'
14 organization, it's now going to become a
15 financial management organization on which the
16 beneficiaries are secondary. And I -- I, for
17 one, will never vote for that. That is totally
18 opposite of why the Mental Health Trust was
19 established to take care of these folks.

20 And so, appropriately, the focus
21 should be on providing services to the Mental
22 Health Trust beneficiaries for this
23 organization, period.

24 There's no other purpose, and
25 there is no other structure. It's got to be

1 that structure.

2 Now, there's a financial piece
3 that needs to be taken care of by the board, as
4 well. That should be and has been and should
5 continue to be a secondary focus of this
6 organization.

7 Now, it needs to be managed well.
8 I'm not saying it shouldn't be managed well.
9 It's got to be managed well. Because that's
10 the source of funding, to allow the services to
11 be provided for the beneficiaries.

12 So I don't think anybody is
13 arguing that it's not appropriate that we take
14 excellent financial management care of the
15 financial side of things, but for me to change
16 the structure, and we now need a CEO who is a
17 financial wizard and knows nothing about taking
18 care of Mental Health Trust beneficiaries, I
19 think there's something messed up here, big
20 time. That's all I can say, folks.

21 It's a serious problem for this
22 board. If you really are talking about
23 changing the structure of this organization in
24 that way, I think that there's going to be some
25 real issues at the legislative level in the not

1 too far distant future for this organization,
2 if that's really what we're talking about.

3 MR. WEBB: Larry.

4 MR. NORENE: Well, Mr. Chairman,
5 you have points that are well taken. That
6 would be the kind of discussion we'd have when
7 we're redesigning our plan. My -- my point
8 here is that our present CEO doesn't have the
9 skill set needed to assist us. We need a
10 change of leadership, and -- and, hopefully, it
11 can be accomplished in a manner where we can
12 use our present leadership in a different
13 manner, and then we can learn to work together
14 and address exactly those issues that you bring
15 up, and that's what I would hope we can all
16 work together and accomplish, and then -- and
17 then identify what kind of skills we need at
18 that leadership position. And then once those
19 are identified by the trustees and any
20 consultants we might use in helping us do that,
21 then have a search for that type of leadership.

22 You're exactly right, for many of
23 your points and this -- you know, when we come
24 to a design that seems suitable to us, that's
25 when we have something to offer on the record

1 and bring before us and consider and utilize in
2 making our final decisions.

3 MR. WEBB: Laraine.

4 MS. DERR: I think you've got the
5 cart before the horse. Why are you doing this
6 before you know what you want to do? I mean,
7 that's totally back-asswards. You put your
8 goal out there and what you want to do, and
9 then make your action. You're trying to move
10 Jeff out of his job, and you don't know where
11 you're going.

12 I mean, I assume you probably do,
13 because you guys have had enough meetings,
14 secret meetings that we don't know what's going
15 on, but -- I mean, the action has been taken.
16 Russ, you grin. Until yesterday, I didn't know
17 what you guys were doing. We have not been
18 included. You're trying to remove the CEO --

19 MR. SMITH: Mr. Chairman.

20 MR. WEBB: Carlton.

21 MS. DERR: -- and we have not --
22 there are three of us sitting here that don't
23 know -- that have never been involved in a
24 meeting.

25 MR. WEBB: Carlton.

1 MR. SMITH: It is not my intent
2 to shut down this discussion in any way, but I
3 think we have some quorum issues right now.

4 MR. WEBB: I think you're right.

5 Let's recall that under Robert's
6 Rules that individuals are not to be attacked,
7 disparaged, accused of wrongdoing or -- as has
8 just occurred.

9 I think we'd stick to the issues.

10 Here's -- here's my understanding
11 of the issues, and we can discuss those. But
12 I'll give you my understanding.

13 Over the past year and a half, at
14 least, we've had a circumstance in which we've
15 had -- we've relieved our CEO of authority to
16 oversee the Trust Land Office finances and
17 otherwise, something that the Trust has
18 delegated some time ago.

19 You've had a relatively
20 ineffective effort to try to make the two
21 organizations work effectively together.

22 My understanding, again, is
23 from -- Larry, from your previous statements
24 and others, that it's your belief that we are
25 in a watershed point in our history, and that

1 with the State fiscal crisis we are in a place
2 where the Trust needs to be focused as -- as
3 much as it has a responsibility to do, not
4 merely on providing programs, but on generating
5 the income that makes it possible to provide
6 those programs. And that we have a balanced
7 responsibility to do both things. That we
8 don't simply, as a board, or as an
9 organization, have a responsibility to be
10 advocates and essentially funders of services
11 and system change and other things, we have to
12 be equally as focused on our fiduciary
13 responsibilities to generate as much income to
14 make that as possible as we possibly can.

15 And, as I understand it, in the
16 past, Larry, you've stated a belief that we
17 aren't there. So we have not had any expertise
18 in-house available to do what we needed to do
19 to generate the kind of income that we need in
20 order to support the programs for our
21 beneficiaries, and that we're in a place at the
22 moment where the Legislature is coming to us
23 and will be, in probably this session, and
24 every other session for the foreseeable future,
25 asking us how we're going to provide more

1 revenue to provide services for our
2 beneficiaries.

3 With that, we're at a place where
4 we have to determine what direction are we
5 headed. We've talked repeatedly about the
6 organization. We've talked repeatedly about
7 doing a number of things. We haven't pushed
8 those items forward for a variety of reasons,
9 not the least of which is our own disagreement
10 about the leadership of the organization,
11 what's necessary in order to set the direction
12 to move it forward.

13 So, we've had -- Jeff and I had a
14 discussion today. Jeff, you've given me a
15 document, if you'd like to describe that
16 document and speak to it.

17 MR. JESSEE: I just want to make
18 sure the trustees have finished their topic.

19 MR. WEBB: Paula, you have a
20 comment?

21 MS. EASLEY: Oh, yeah -- yes, I
22 do have a comment.

23 Well, I read over Jeff's job
24 description, and I think he -- he fully
25 complies with the requirements of his job

1 description.

2 MR. WEBB: Can I stop you for a
3 second?

4 The truth of the matter is we
5 don't have the CEO job description adopted by
6 the trustees.

7 MS. EASLEY: That's true.

8 MR. WEBB: We didn't have --
9 until I asked Jeff to develop a draft --

10 MS. EASLEY: Correct.

11 MR. WEBB: -- job description, we
12 didn't have a job description --

13 MS. EASLEY: Correct.

14 MR. WEBB: -- at all -- period --

15 MS. EASLEY: May I -- may I
16 continue?

17 MR. WEBB: -- in the course of
18 the Trust.

19 MS. EASLEY: May I continue?

20 MR. WEBB: Please do.

21 MS. EASLEY: Over the years, in
22 my service of the Executive Committee, we have
23 evaluated Jeff's performance. And as part of
24 that evaluation, I contact all of the heads of
25 the boards -- of our statutory advisory boards,

1 and I ask them how the CEO is doing, if they
2 have any problems, if they have any complaints.
3 I have -- well, a couple of times, they said,
4 "Well, we don't agree on certain things, but
5 that's beside the point, we think he's doing an
6 excellent job."

7 I have never heard a complaint
8 from any of our beneficiaries as to anything
9 that Jeff has done that would merit his being
10 removed from his job.

11 I strongly feel that the
12 Legislature would not be happy at this
13 particular time -- and there will be a whole
14 bunch of new legislators -- and we have to have
15 someone down there who can defend every aspect
16 of the Mental Health Trust budget. I don't
17 think anyone else can do that.

18 Now, you and Larry have gotten
19 together and -- and went to Jeff and presented
20 an option that we did not authorize you to do,
21 and -- and I think it was totally out of order
22 for that to be done. I think this -- this
23 thing is so important that all of the advisory
24 boards should be contacted and consulted
25 concerning our decision. We can't -- we don't

1 operate in isolation.

2 Look at the people here.

3 Everyone here has an interest in what we do
4 today.

5 MR. WEBB: Let's bring this to
6 a -- an order here.

7 We're debating an issue, and we
8 have no motion on the floor.

9 MS. EASLEY: That's correct.

10 MR. WEBB: And so, if we'd like
11 to debate an issue, we need a motion to do so.

12 MR. SELBY: Mr. Chairman, I would
13 like to make a motion that we proceed with the
14 organizational review by an outside agency, as
15 was discussed at the last board meeting, and
16 was supposed to be in the November board
17 meeting for us to take a look at it.

18 And, apparently, one board member
19 has vetoed that, from what you said earlier, I
20 don't understand how that happens, but my
21 understanding was that we had -- we were in the
22 process of preparing an RFP which was going to
23 be reviewed at the November board meeting to
24 look at organizational structure for the future
25 that would answer all of these things that

1 we're kind of shoveling in the fog here today
2 about going forward. And so I'm a little -- I
3 don't know what we're doing, but that's my
4 motion. Let's get back on track. My motion is
5 to get on about. I believe the draft is ready
6 to be reviewed by outside folks who might want
7 to bid on it so that we could tighten up the
8 RFP for the review in November.

9 I believe that's where we were
10 with it. And I'd like to get that back on
11 track. That's my motion.

12 MS. DERR: I'll second that.

13 MR. WEBB: Okay. So, as I
14 understand the motion, it's to proceed with a
15 solicitation or a request for information?
16 Which is your preference? So I understand the
17 motion.

18 MR. SELBY: Well, my
19 understanding was, is that we agreed that we
20 were going to prepare a request for proposal to
21 send out to folks who do this as a course of
22 business to look at our organizational
23 structure, and things that we have that are on
24 the horizon, both in terms of delivery of
25 services of beneficiaries and the need for

1 financial resources to deliver those services,
2 and see -- have them prepare and give us a
3 recommendation about how we need to restructure
4 the organization for the future to be able to
5 do that effectively.

6 That was my understanding of the
7 discussion we had at the last board meeting.

8 MS. DERR: That's what the
9 minutes say.

10 MR. SELBY: And that is what I
11 saw in a draft that had been prepared by the
12 staff which was my -- I thought was ready to go
13 out. The idea was, is to have some of the
14 folks who were in that business, review what we
15 were asking for to make sure we're asking the
16 right questions so that we will get back a
17 useful set of information once we do put it out
18 on the street. So that's where I thought we
19 were on this process. And so I don't know --
20 it doesn't make any difference what the exact
21 terminology is that this is where we want to
22 go. That, I thought, was going to be part of
23 the interactive process with the folks who do
24 this for a business, so that come November when
25 we actually approve the document to go out on

1 the street, we will have been able to resolve
2 exactly what we're asking for. But that was
3 the whole idea was to get some expertise and
4 some input from people who have that expertise
5 about exactly what we need to be asking to get
6 the kind of information to deal with what Larry
7 is talking about over here.

8 I don't know how we get there
9 otherwise. For us to take an action
10 prematurely without getting some outside expert
11 consultation, I don't know how we do that,
12 Mr. Chairman. I think that we're in deep stuff
13 in the swamp if that's the way we proceed here
14 today.

15 MS. DERR: I'm just looking at
16 the minutes, and the minutes say that it --
17 we'll come back at the November board meeting
18 in regard to the organizational review.

19 MR. WEBB: That -- to review the
20 history here, again. My understanding of the
21 history, we had a draft request for information
22 that was distributed to all the trustees. We
23 had a meeting -- an executive committee meeting
24 to look at that draft to consider it, at which,
25 if I remember correctly, all trustees were

1 present, and participated. Carlton had, prior
2 to that meeting, expressed some concerns that
3 the draft RFI did not really hit the mark in
4 terms of what the trustees were actually
5 intending to have heard and felt like we
6 weren't ready to issue that.

7 We had a discussion in that
8 Executive Committee meeting at which it was --
9 we can get the minutes from it -- but I believe
10 all trustees involved in the meeting, and that
11 was all trustees essentially agreed with
12 Carlton that we were not ready to move forward
13 and that we needed -- we needed to spend some
14 time thinking about what we wanted that to look
15 like before we issued it, and that we --

16 MR. SELBY: Mr. Chairman, I'm
17 sorry, but I listened in on that on the
18 telephone. That never occurred. What you just
19 described never occurred at the meeting of the
20 Executive Committee that I listened in on. So
21 unless you had another Executive Committee
22 after that one I listened in on --

23 MR. WEBB: We'll get the minutes,
24 then.

25 MR. SELBY: -- there was not --

1 that was not agreed to. It never even came up
2 for an action. You folks never even dealt with
3 the draft that was in front of you. And the
4 meeting lasted about all of 15 minutes and you
5 adjourned the meeting.

6 MS. EASLEY: It was tabled.
7 Larry made a motion to table it.

8 MR. WEBB: After discussion in
9 which all trustees participated.

10 MR. SELBY: We were not
11 participating. We were listening in. It was
12 an Executive Committee meeting, and the
13 Executive Committee does not have the authority
14 to change something that the board took an
15 action on at the last board meeting to move
16 this thing forward to the November meeting.

17 MR. WEBB: Nor did it. And that
18 action is still a valid action. The issue was,
19 if I understand correctly, again, we moved and
20 agreed to put forth a solicitation and to have
21 a draft ready for the November meeting.

22 We -- at the staff initiative,
23 developed a request for information, which is a
24 common practice to seek information before you
25 develop a solicitation.

1 That was discussed by all
2 trustees during that Executive Committee
3 meeting.

4 And the discussion resulted in a
5 motion to table that RFI as not something that
6 we wanted to have issued.

7 MS. EASLEY: The meeting -- I
8 don't know how we had all this meeting. The
9 meeting lasted about -- actually for about nine
10 minutes.

11 MR. WEBB: Carlton.

12 MR. SMITH: Mr. Chairman, I'd
13 like to call for the question.

14 MR. WEBB: Okay.

15 There's been a motion to call for
16 the question. And is there objection to the
17 motion -- is there a second to the motion?

18 MR. SMITH: You seconded it.

19 MS. EASLEY: It's been
20 seconded --

21 MS. DERR: In regard to call for
22 the question? He's calling -- is there a
23 second for the question?

24 I think that's what he's asking.

25 MR. WEBB: Yes, right. Carlton,

1 you've moved that we --

2 MR. NORENE: Second.

3 MR. WEBB: Second. Okay.

4 That's been moved and seconded.

5 Is there objection to voting on
6 the question?

7 MR. NORENE: To voting on the
8 question?

9 MR. WEBB: To voting on the
10 question, which is to bring the question to a
11 vote.

12 If there are no objections, then
13 we'll vote on the question.

14 Let me try to see if I can state
15 the question. The motion, if I remember
16 correctly, Trustee Selby, is that we proceed
17 with the development of a solicitation to be
18 considered by trustees at our November meeting
19 for an organizational review.

20 MR. SELBY: That's correct,
21 Mr. Chairman.

22 MS. DERR: As we voted on in
23 September.

24 MR. WEBB: And that has been
25 moved and seconded.

1 Is there any objection?

2 Okay. Hearing no objection, then
3 staff will be directed to develop a
4 solicitation for consideration by trustees at
5 the November meeting.

6 So, we're back on track; is that
7 correct?

8 Okay.

9 MR. NORENE: Mr. Chairman, is
10 that, therefore, substitute for the fact that
11 the issue is tabled --

12 MS. DERR: I'm sorry, I can't
13 hear you.

14 MS. EASLEY: We can't hear you.

15 MR. NORENE: Mr. Chairman, does
16 that, in effect, bring the tabled issue back
17 before the --

18 MR. WEBB: The tabled issue at
19 the Executive Committee was the RFI.

20 The motion that was made and
21 passed in our September meeting and then
22 reaffirmed here was for staff to move forward
23 with developing a draft solicitation to bring
24 back to the trustees for an organizational
25 review, which means, rather than an RFI, we

1 will seek -- you will have a draft of a
2 solicitation for consideration at our November
3 meeting and we'll determine at that time if
4 that meets our goals or needs to be readjusted.
5 Presumably, in the course of the drafting of
6 that solicitation between now and November,
7 we'll have an opportunity for input.

8 MS. EASLEY: Mr. Chairman, does
9 that mean --

10 MS. SMITH COOLIDGE: Your
11 microphone.

12 MS. DERR: Put your mic on.

13 MS. EASLEY: Does that mean that
14 you want to now proceed with the motion to --
15 to take action on Larry's recommendation
16 regarding Jeff's position?

17 MR. WEBB: Carlton.

18 MR. SMITH: Mr. Chairman, I
19 understood we were going to hear from Jeff --

20 THE REPORTER: Excuse me, I can't
21 hear you.

22 MR. SMITH: I'm sorry.

23 I understood we were going to
24 hear from Jeff about your discussions.

25 MR. WEBB: I have a document in

1 front of me.

2 Jeff, would you like to read the
3 document?

4 MR. JESSEE: Well, we would still
5 like to pursue this motion for a minute, if
6 that's okay.

7 I'm looking at Steve. I think
8 we're a little confused as to how to proceed
9 here because we did the RFLOI, and the -- and
10 the Executive Committee didn't feel it was
11 hitting the mark, was my recollection. That's
12 fine. I mean, you know, we did our best and,
13 you know, it's an iterative process.

14 So, now we're supposed to prepare
15 an RFP, right?

16 MR. WEBB: That was the original
17 direction, if I recall, from our September
18 meeting, to develop a solicitation for --

19 MR. JESSEE: So I guess the part
20 I'm confused about -- I just want to make sure
21 we get this right. The idea behind the RFLOI
22 was to get enough information to be able to
23 craft a good RFP. We didn't hit the mark on
24 the RFLOI. And I've got to tell you I'm pretty
25 insecure about being able to develop an RFP

1 that will meet your needs without some input
2 from you all.

3 So, I guess my request would be
4 can we assign this to a committee or something
5 so that we don't just -- am I --

6 MR. WEBB: You're exactly right.
7 I completely understand you, Jeff.

8 MR. JESSEE: I just want to get
9 this right.

10 MR. WEBB: You didn't hit the
11 mark the first time. Didn't get further
12 direction about what the mark should look like.
13 And at our discussion, of which we will
14 disagree about all trustees participated, we
15 agreed we needed to do a better job of defining
16 what we wanted which --

17 MR. JESSEE: We're in no better
18 position to define now than we were then.

19 MR. WEBB: I got it.

20 MR. JESSEE: Okay.

21 MR. WEBB: All right. So, we can
22 do a couple of things. We can assign it to a
23 standing committee to help better define the
24 mark that we're trying to hit with an
25 organizational review, or we can assign a

1 special committee. And I would say we might
2 just as well use -- but I'll ask this: I'm
3 happy to assign to either a special or a
4 standing committee -- are -- are there trustees
5 with a great interest in participating in
6 looking at this?

7 MR. SELBY: Mr. Chairman -- go
8 ahead.

9 MR. WEBB: Carlton.

10 MR. JESSEE: Hit your button.

11 MR. SMITH: Yes, I have an
12 interest.

13 MR. WEBB: Okay.

14 MR. NORENE: Yes, I have an
15 interest.

16 MR. WEBB: Trustee Selby.

17 MR. SELBY: Well, Mr. Chairman, I
18 guess I'm curious. I don't recall hearing any
19 objections to what was in the document at the
20 very brief Executive Committee meeting in which
21 we did not all participate. Some of us were in
22 listening mode because we're not on the
23 Executive Committee. And so for you to imply
24 that I have somehow participated in that
25 discussion is absolutely incorrect. So -- and

1 inappropriate.

2 So, I was listening in as a board
3 member who is not a member of the Executive
4 Committee. I didn't realize that I had an
5 opportunity to even participate or speak at
6 that meeting, because normally that would not
7 be happening when an Executive Committee
8 meeting is happening. So -- but I don't recall
9 anybody being able to articulate anything --
10 any problem that they perceived with the
11 document that had been prepared by the staff to
12 go out and try to get some additional input
13 from the professionals who do this kind of
14 thing so that we could make a better document
15 out of the request for proposal, and I thought
16 that was the interactive -- interactive process
17 that we were trying to pursue so that we could
18 hopefully come back to the November board
19 meeting and have a document -- a much better
20 document that had the input from the
21 professionals who do this for a living to help
22 us clean up and make sure we were asking the
23 right questions so that we could get the input
24 from the study about the direction on what this
25 organization needs to look like in the future,

1 and be able to provide high-quality service for
2 beneficiaries and manage the financial side of
3 the house in a way that finances those services
4 to the beneficiaries.

5 To me, that's what this study
6 should be all about.

7 And so, I don't -- again, I just
8 don't recall anybody having anything they
9 thought needed to be changed before we go
10 through that next iteration of getting input
11 from the professionals out there in the world
12 who do this stuff.

13 So, could someone enlighten me
14 about what was identified at that meeting in
15 terms of what was inadequate as far as getting
16 input from the professionals?

17 MS. EASLEY: There was none.
18 Larry made the motion very quickly to table,
19 and that was the end of it. That was the end
20 of the discussion. We have minutes. We have
21 minutes.

22 MR. WEBB: We're not debating the
23 events of the Executive Committee meeting.

24 There's no need for us to fail to
25 keep decorum. To, again, allege, you know,

1 dishonesty or wrongdoing or whatever on the
2 part of any of the -- it's inappropriate to do
3 so. Let's just focus on the issue at hand.

4 The issue at hand being that we
5 have passed a motion to have drafted a
6 solicitation for an organizational review for
7 consideration by the board at our November 17th
8 meeting.

9 That's been passed. It's been
10 reaffirmed.

11 We tabled consideration of the
12 RFLOI at the Executive Committee meeting based
13 on a -- an e-mail, essentially, that Carlton
14 sent out in advance, read, presumably, by all,
15 but commented upon by at least many, if not all
16 the trustees, seeming to agree with Carlton's
17 comments that it was not ready for prime time.
18 And it did not hit the mark that we intended.

19 So, that RFLOI was tabled. We --
20 that did not stop movement for -- towards a
21 full solicitation at -- to be considered at the
22 November 17th meeting.

23 What Jeff has asked us for is a
24 means by which that will be clarified -- the
25 goals of the trustees will be clarified.

1 I'll do this: I will assign the
2 full Finance Committee to work towards
3 developing that better target and better
4 direction so staff will have a better
5 understanding of where we're trying to get to,
6 and, you know, to work with staff in regard to
7 that.

8 So, with that, I think that issue
9 is resolved, at least until we have another
10 draft for consideration at our November 17th
11 meeting, which we said we wanted to have.

12 Okay.

13 MR. JESSEE: That will meet
14 our --

15 MR. WEBB: That will meet your
16 needs.

17 MR. JESSEE: -- needs. Yes.

18 MR. WEBB: Okay. We have a
19 document from Jeff.

20 Jeff, would you like to read the
21 document?

22 MR. JESSEE: Yes, thank you.

23 This is addressed to the Board of
24 Trustees, October 26th, 2016.

25 Trustees: Since I arrived in

1 Alaska in 1980 as a Vista Volunteer working
2 with what is now the Disability Law Center, I
3 have dedicated my professional career to
4 serving the Trust beneficiaries.

5 For the last 21 years, I've been
6 privileged and honored to serve them as the CEO
7 of the Trust.

8 The Trust and the beneficiaries
9 will face many unprecedented challenges as
10 Alaska deals with our fiscal and economic
11 difficulties. It is clear that a majority of
12 the Board of Trustees believes that significant
13 changes in the Trust organization and efforts
14 must be made to meet these challenges.

15 These changes will require new
16 perspectives and ideas to insure that the Trust
17 can meet the needs of the beneficiaries well
18 into the future.

19 Therefore, I believe that it is
20 in the best interest of the beneficiaries, the
21 Trust, and myself that I resign as CEO in favor
22 of a different role within the Trust.

23 This will enable me to continue
24 to serve the beneficiaries to the best of my
25 abilities and enable the Board of Trustees, the

1 Trust, and the Trust Land Office to focus on
2 making adaptations that will enable the Trust
3 to best meet the needs of the beneficiaries now
4 and in the future.

5 To facilitate changes in my role,
6 and the direction of the Trust, I submit my
7 resignation effective as of the effective date
8 of the approved appointment of my successor.

9 Jeff Jessee.

10 MR. WEBB: Larry.

11 MR. NORENE: Mr. Chairman, in
12 light of that, and our discussion, I move that
13 the Trust accept the resignation of Jeff Jessee
14 as CEO effective on the date the appointment of
15 his successor as CEO is approved.

16 I further move that the
17 appointment -- that the appointment -- we
18 appoint Greg Jones as CEO of the Trust
19 Authority to be forwarded immediately to the
20 Chief of Staff and become effective on the date
21 of that approval.

22 Finally, I move that Mr. Jones be
23 authorized to appoint Mr. Jessee to a position
24 of program officer effective on the date
25 Mr. Jessee's resignation becomes effective with

1 no break in service to enable him to continue
2 to serve the interests of the Trust
3 beneficiaries.

4 MR. WEBB: Is there a second?

5 MR. SMITH: Second.

6 MR. WEBB: Is there discussion?

7 MR. SELBY: Mr. Chairman, I ask
8 for a division of the motions.

9 MR. WEBB: Is there a second?

10 MS. DERR: Second.

11 MS. EASLEY: Second.

12 MR. WEBB: Trustee Selby has
13 asked that the individual motions be divided.
14 My understanding is that they are -- Larry,
15 they follow and depend upon each other?

16 MR. NORENE: Yes.

17 MR. WEBB: Is there objection to
18 Mr. Selby's motion to divide the -- the various
19 motions?

20 MR. NORENE: As maker of the
21 motion, I object to that. It could harm the
22 intent and the facilitation of retaining
23 Mr. Jessee to serve the beneficiaries.

24 MR. WEBB: All right.

25 Those in favor of dividing the

1 questions or the motions raise your hand.

2 Those opposed?

3 THE REPORTER: Excuse me. The
4 record isn't clear on the vote.

5 MR. WEBB: Okay. Sorry.

6 MR. SELBY: Roll call vote,
7 please.

8 MR. WEBB: The roll call vote.

9 MS. EASLEY: Paula Easley in
10 favor.

11 MS. SMITH COOLIDGE: Can you use
12 your mic, please?

13 MS. EASLEY: Paula Easley in
14 favor.

15 MR. SELBY: Yes vote for Jerome
16 Selby.

17 MS. DERR: Laraine Derr, yes.

18 MR. SMITH: Carlton Smith, no.

19 MR. NORENE: Larry Norene, no.

20 MS. MICHAEL: Mary Jane Michael,
21 no.

22 MR. WEBB: And the Chair votes
23 no, as well. So the motion fails.

24 Motion is on the floor; has been
25 seconded.

1 We'll do a roll call vote on the
2 motion.

3 MS. EASLEY: Do we have
4 discussion on the motion?

5 MR. WEBB: You can have
6 discussion on the motion.

7 MS. DERR: Mr. Chairman, I guess
8 my problem with this whole thing is the legal
9 issue, and I think that we should have an
10 attorney review what we're doing, because I
11 think due process has not been followed.

12 MR. WEBB: Can you state
13 precisely your concern about due process?
14 We've got a motion on the floor.

15 MS. DERR: Well, I just -- in
16 regard to -- first of all, of accepting Jeff's
17 resignation, in regard to due process, the
18 whole -- the whole Board of Trustees has not
19 been -- we haven't talked about what the
20 problem is, you know, been able to ask Jeff
21 questions why is he resigning. And I guess
22 then in regard to hiring a new -- a new person
23 who has no program experience to run the -- to
24 run the Trust, I guess I have a real problem
25 with that. So I would just ask a question if

1 we shouldn't have some legal advice.

2 MR. WEBB: Question duly noted.

3 There is a motion on the floor.

4 Is there other discussion?

5 MS. DERR: Does anybody else
6 believe we should have legal advice? Have you
7 guys consulted an attorney?

8 MR. WEBB: Larry?

9 MR. NORENE: Yes, the Trust has
10 retained an attorney, Mr. Paul Wilcox.

11 MS. DERR: How did we do that?
12 We've never voted on that. We never asked
13 for -- I mean, the Trust -- I mean, I've never
14 been asked about hiring an attorney.

15 MR. NORENE: The Executive
16 Committee chose to hire an attorney, and that
17 there had been a threat of litigation.

18 MS. DERR: At what meeting did
19 that occur? If the Executive Committee agreed
20 to hire an attorney, at what meeting did that
21 happen?

22 It didn't happen at the Executive
23 Committee meeting that I listened into.

24 So what Executive Committee
25 meeting did that occur?

1 Nobody remembers?

2 Because it was a meeting that was
3 not public-noticed.

4 MR. SELBY: Mr. Chairman.

5 MR. WEBB: Jerome.

6 MR. SELBY: I asked for a
7 division of the motion because there are three
8 very distinct and very important actions that
9 are taking place there. The second one,
10 appointing someone that I'd never heard of and
11 hiring them -- I have no resume. I don't know
12 who this person is. And you're asking me to
13 vote on retaining this person as the -- I guess
14 executive director for the Trust, and I just
15 find that unacceptable, Mr. Chairman. I mean,
16 normally, if -- I understand Mr. Jesse wants
17 to resign. That's fine. But normal process
18 would be that we would then advertise for
19 applicants to fill a position. The board would
20 have the ability to review all of the
21 applicants and go through a selection process
22 to determine who is the best qualified
23 individual to fill the now vacant position, and
24 then the board would vote on hiring that
25 individual.

1 I mean, it seems to me that we've
2 kind of jumped from A to Z, and the Board's
3 been closed out of the process of reviewing and
4 making a selection from the best qualified
5 applications.

6 I don't see how the Mental Health
7 Trust beneficiaries are well served at all by
8 that type of action. I think it's totally
9 inappropriate, if not illegal, for that to
10 occur in that manner. And so I just really
11 question -- I think we're in deep stuff here.

12 MR. WEBB: Larry.

13 MR. NORENE: Well, I would
14 understand that you are not familiar with Greg
15 Jones. Let me explain what the position is.

16 Greg Jones will be required to be
17 the CEO for a period of time for -- to hire
18 Mr. Jessee in a different role instead of not
19 hiring him.

20 Only a CEO can hire. So we will
21 have to have a CEO in place. It is not our
22 intent for Greg Jones to be our CEO overall.

23 Mr. Jones, who has a tremendous
24 background with the Trust, understands the
25 entire operation, familiar with everybody, will

1 merely be an assistant for us to help the
2 trustees consider what that job should be, and
3 once we have defined that, then commence a
4 search in accordance with the job description
5 that we have defined.

6 He's a placeholder, so to speak,
7 but one with probably the most knowledge and
8 experience. He has done these reorganizations
9 for GCI, for CIRI, for the Municipality. He is
10 expert in the field, and the best available to
11 accomplish what we need to accomplish.

12 The reason that we have to
13 appoint him as CEO rather than ask him just to
14 be a consultant for us to come in and just
15 speak is for the purpose, the paperwork at the
16 State --

17 MS. EASLEY: Larry, excuse me,
18 are you saying that trustees don't have
19 authority to remove Jeff from his position?
20 That we have to hire someone else who has
21 authority to do that?

22 MR. NORENE: We have the
23 authority to remove Jeff. This motion is
24 designed where we can have continuity for Jeff
25 and put him in a new role where he can be of

1 benefit to the Trust and its beneficiaries with
2 his skill set.

3 If we were to let Jeff go at this
4 time, and fire him, so to speak -- which I
5 don't think any of us want to do -- then there
6 would be a discontinuous service, and it -- it
7 would not be in Jeff's best interest, and he
8 may choose not to -- to fit the role that we
9 see for him in helping the beneficiaries.

10 MR. SELBY: Mr. Chairman, does
11 Mr. Jones have a resume?

12 MR. WEBB: Larry.

13 MR. NORENE: I'm sure he does.
14 He'll be here at 1:00 o'clock to -- in regards
15 to the Resource Management Committee. We can
16 have him speak with any of you that aren't
17 familiar with Mr. Jones. Most of us have seen
18 his resume and seen his experience. I think
19 you're the only one who hasn't. It would
20 probably be a good idea for you meet him.

21 MR. SELBY: That's beside the
22 point. The point is if Mr. Jones has a resume,
23 it would seem to me that it would have been
24 provided to the board for this meeting as
25 backup documentation, at least for what you

1 want to do here. That's point No. 1.

2 And that's unacceptable to me for
3 you to have apparently offered a position to
4 someone and they've accepted it without the
5 rest of the board having any involvement in the
6 process and not even sharing the resume with
7 those of us who aren't familiar with this
8 individual. I don't really care if the rest of
9 you are familiar with him or not. That's
10 beside the point.

11 Have any of your folks ever heard
12 of what's called procedural due process? This
13 is way off the mark for procedural due process.

14 And secondly, and this is -- this
15 is the main point -- there is no reason that
16 this needs to be done today because
17 Mr. Jessee's resignation says that he would be
18 willing to continue to serve until he is
19 replaced which would allow for a correct
20 procedural due process to take place with the
21 board of directors being allowed to review
22 resumes of someone who is going to replace
23 Mr. Jessee, and then we would be able to go
24 through a selection process and hire somebody
25 into that position.

1 Meanwhile, Mr. Jessee would
2 continue to serve. The organization would stay
3 stable and continue to function. I don't know
4 if Mr. Jones has any capability to run the
5 delivery of services side of the organization
6 or not. I've not seen a resume. I don't know
7 him. But I would have serious concerns if he
8 doesn't have a lot of mental health care in his
9 background so that he could provide direction
10 to the staff, because that's their
11 responsibility, in particular, and I -- I find
12 this pretty amazing, Mr. Chairman.

13 I really would recommend that,
14 you know, step back from this. I think that
15 accepting Mr. Jessee's resignation, since he's
16 offered it in good faith, is appropriate. But
17 I don't see any reason why we have to
18 circumvent procedural due process of allowing
19 the board then to go through a selection
20 process of who is going to replace him, even if
21 it's on an interim basis. That happens all the
22 time.

23 But the board is the only
24 authority who has the authority to hire even an
25 interim replacement if that's not the person

1 that you really want for the long haul. So,
2 what's the rush? And why do we have to ignore
3 procedural due process in order to accomplish
4 all this today in one motion?

5 I kind of think it's
6 inappropriate.

7 MS. EASLEY: Mr. Chairman, along
8 that line, I would have no objection to having
9 Greg Jones sign a contract to do exactly what
10 Larry is proposing, and I think that would
11 solve that problem. And I agree with Jerome,
12 there's no rush, there's no need for us to have
13 someone else carry us through this period.
14 Jeff is perfectly capable of doing that.

15 MR. WEBB: We've got a motion on
16 the floor. We've made the motion.

17 Is there further discussion of
18 that particular motion?

19 Is there an amendment to the
20 motion that anyone would like to offer?

21 MR. SELBY: Well, I tried to
22 divide the question, Mr. Chair, for that
23 purpose so that we could have a separate
24 discussion on each of the three pieces of that.
25 None of the rest of the board apparently wants

1 to do that.

2 So I don't know what the value
3 would be to offer an amendment because I
4 basically tried to get the board to think about
5 what you're doing here today.

6 As a board, we really need to
7 mind our Ps and Qs a lot better than what we've
8 been doing, Mr. Chairman.

9 I mean, this board is seriously
10 at risk, and I'm trying to get us back on track
11 to where we do things in a proper order, we
12 follow procedural due process, and we keep the
13 Mental Health Trust beneficiaries on the top of
14 the agenda item.

15 MR. WEBB: I think we all agree
16 with that.

17 MR. SELBY: At the moment we are
18 a long ways from that with this particular
19 action right here.

20 MR. WEBB: I appreciate your
21 opinion.

22 Do you have an amendment you
23 would like to offer to the motion that's on the
24 floor that would accomplish your purpose?

25 MR. SELBY: I would -- the

1 amendment I would offer would be --

2 MS. DERR: Your mic.

3 MR. JESSEE: Hit your mic.

4 MR. SELBY: The amendment I would
5 offer would be for us to accept Mr. Jessee's
6 resignation and postpone the action on the
7 other two items until the board has had an
8 opportunity to review and get involved in the
9 process of moving forward from here in an
10 orderly fashion.

11 MR. WEBB: Is there a second to
12 the motion made by Trustee Selby?

13 MS. EASLEY: Second.

14 MR. WEBB: Motion has been made
15 and seconded.

16 Is there discussion of that
17 motion?

18 MR. NORENE: Would that harm
19 Mr. Jeff Jessee's interest and harm our ability
20 to -- to have him work with us? Would that
21 create the discontinuance of services of Jeff?

22 MR. WEBB: Larry, my
23 understanding is that -- of the motion is that
24 Jeff -- as Trustee Selby has described -- would
25 continue to serve as the CEO until the board

1 reviewed resumes of potential candidates to
2 replace Jeff, either on an interim or permanent
3 basis, and elected to hire one -- one of those
4 candidates as his successor and that candidate
5 was -- the approval process that must take
6 place for any exempt employee is completed.

7 My understanding, then, would be
8 that there would be no break in service for
9 Jeff and he would continue as a Trust employee
10 until we took action to hire his successor.

11 So, from that standpoint, I
12 believe, Jeff, that you would be protected?

13 MR. JESSEE: I think you're
14 correct.

15 MS. EASLEY: Mr. Chairman, I have
16 an amendment -- I have an amendment that --

17 MR. WEBB: We have an amendment
18 on the floor that we're discussing.

19 Do you want to amend the
20 amendment?

21 MS. EASLEY: No.

22 MR. WEBB: So, is there further
23 discussion that -- essentially, as I understand
24 it, Trustee Selby, your amendment is designed
25 to accept Mr. Jessee's resignation and to delay

1 consideration of the appointment of his
2 successor until we've further explored one or
3 more potential candidates.

4 MR. SELBY: The motion was to
5 postpone action on those other two items until
6 we've had an opportunity -- both of those items
7 will remain alive and come back into play in
8 the future, Mr. Chairman.

9 MR. WEBB: That's right. Yep.

10 MS. EASLEY: So I'm not clear.

11 Are you resigning -- are you
12 resigning your position as CEO and accepting a
13 position as the program officer? Or are you
14 resigning all together?

15 MR. WEBB: Paula, the statement
16 that --

17 MR. JESSEE: You've got it. Go
18 ahead.

19 MR. WEBB: It says, essentially,
20 that he's resigning as CEO in favor of a
21 different role from the Trust. The motion that
22 one of the -- the motion that Larry made, if I
23 remember it correctly, was to accept Jeff's
24 resignation, first clause of the motion.
25 Second clause was to appoint Greg Jones,

1 essentially, as interim CEO -- Larry, if I
2 understand correctly?

3 MR. NORENE: Yes.

4 MR. WEBB: And, finally, that
5 we -- that Mr. Jones be authorized to appoint
6 Jeff as a program officer, and that those two
7 actions would go forward to the Governor's
8 office immediately.

9 MR. JESSEE: And just to clarify,
10 in my letter, my resignation is effective as of
11 the effective date of the approved appointment
12 of my successor.

13 So, my understanding -- and
14 certainly you will correct me if I'm wrong --
15 is I will continue to serve as CEO until --
16 usually the Chief of Staff signs off on a
17 successor CEO. And whether that's a decision
18 you make today about who you want to forward to
19 the Governor's office or a decision you make
20 tomorrow or whenever, I will continue to serve
21 until that individual is appointed officially
22 by the Chief of Staff. Is that --

23 MS. EASLEY: Mr. Chairman, what
24 does the Chief of Staff have to do with it?

25 MR. WEBB: All -- all of our

1 employees at the Trust and the Trust Land
2 Office are what are called fully exempt
3 employees. They are exempt from the personnel
4 rules, which means that they are not merit
5 system employees. All fully exempt employees
6 in State Government, of which the Trust and the
7 Trust Land Office are a part, must be approved
8 by the Governor. And, depending on the salary
9 levels, if it's outside the normal salary
10 range, that would also require an approval.

11 So, for instance, if we appointed
12 any individual as a program officer and elected
13 to pay that individual beyond the normal salary
14 range, that would require the normal salary
15 that you would hire someone into at that level.
16 That would require approval, as well. So, it
17 would be essentially -- the Governor's office
18 must approve the appointment and the salary
19 level.

20 MS. EASLEY: If it's lower than
21 what he is being paid, they have --

22 MR. WEBB: If it is higher than
23 what someone would normally be hired into.

24 MS. EASLEY: That's why I don't
25 understand. It's going to be lower, so why

1 does the Governor --

2 MR. WEBB: It would be -- if
3 you're hiring a program officer, there's a
4 salary range to catch that range of the
5 position. All positions in State Government
6 have a salary range assigned to them. And it
7 goes from one level to another; there's a
8 minimum and a maximum. And if you're beyond
9 the minimum, it has to be justified and
10 approved by the Governor's office.

11 MS. EASLEY: Now, you've really
12 confused me.

13 MR. WEBB: I'm sorry.

14 MS. EASLEY: Didn't you just say,
15 Mr. Chairman, that if there was no increase in
16 the salary, the Governor's office didn't
17 have --

18 MR. JESSEE: Let me try. The
19 most salient point here is that whoever you
20 want to hire as the CEO has to be approved by
21 the Governor.

22 MS. EASLEY: I understand that.
23 I'm talking about your salary.

24 MR. JESSEE: And that triggers my
25 move. So, that's the part you have to focus on

1 is getting a replacement CEO and getting them
2 through the Governor's office, because then my
3 piece will follow.

4 MR. WEBB: Essentially, if I
5 understand the motion, it is that they proceed
6 literally at the exact same time --

7 MR. JESSEE: Correct.

8 MR. WEBB: -- and be approved --
9 be proposed and approved at the exact same time
10 in order to insure that there is no break in
11 service.

12 MR. JESSEE: Correct.

13 MS. EASLEY: Did we vote on your
14 amendment?

15 MR. SELBY: No.

16 MR. WEBB: We have not yet voted
17 on the amendment. We're still discussing the
18 questions or trying to discuss the question.

19 So, we have a proposed amendment
20 that would accept Mr. Jessee's resignation and
21 delay -- because I'm on point -- further
22 consideration of the second two portions of the
23 motion.

24 Mr. Selby, is that correct?

25 MR. SELBY: That's correct.

1 Roll call vote, please.

2 MR. WEBB: Is there more to say?

3 MR. NORENE: Yes. I'm going to
4 vote against the amendment even though I think
5 it's meritorious. And the reason I will vote
6 against it and in favor of the original motion
7 and that is only that I'm thinking it would be
8 a more efficient process and get us back on
9 track in a better, sooner manner, and with --
10 because I have a lot of faith in Mr. Jones and
11 which I understand if you haven't met him, the
12 concern there. I just feel it could be very
13 expeditious to stick with the main motion.

14 MS. MICHAEL: I'd like to
15 comment, too.

16 If there was an opportunity today
17 to spend more time talking about an interim
18 executive or CEO, I think it would be
19 worthwhile, because I don't really -- I'm not
20 really in favor of continuing to delay. I
21 think we should all be included in the
22 conversation, but I think we've been prohibited
23 from doing that at all the meetings up to this
24 time.

25 So, I -- I think we have some

1 critical issues right now. We have a letter,
2 you know, requesting a legislative audit, we
3 have Icy Cape, we've got the timber, and we
4 have two executive directors essentially that
5 both report to the board and we have -- we
6 don't have a single CEO that we work with. And
7 it's required us, as trustees, to become
8 employees and to begin supervising at a level
9 we shouldn't be doing. And we cannot continue
10 to have -- to function the way we're
11 functioning where we have two reports.

12 I mean, even the RFP -- or the
13 RFI, it doesn't work because it only reflects
14 this side of the camp. It doesn't reflect both
15 sides of our organization where we're a -- I
16 just feel we're a split organization right now.

17 And if we had more opportunity to
18 have a conversation and talk about the ability
19 to potentially have an interim CEO that could
20 help us through, that has the capacity to help
21 us through some of these struggles we're
22 facing, we're still -- we're going to have Jeff
23 help us with legislative issues, you know,
24 what -- where he's our shining star. And at
25 the same time, take our time to hire a CEO that

1 is going to be reflective of all the things
2 we've talked about.

3 It could be six months from now.
4 I don't know. It's going to take time. We're
5 going to have to do an executive search.

6 And so I -- I just really wish we
7 could have more time today to talk about it.
8 Maybe not under the lime light, but at least to
9 have an opportunity for all the trustees to
10 talk through this. Because we're at a critical
11 junction right now. We cannot be without
12 leadership, but we have a divided leadership.
13 And I -- I just want to see us move forward. I
14 want to get to where we're all working
15 together, and I know it hasn't been as smooth
16 as we all would like it, but we've got to get
17 there. It's critical. And I just wanted to
18 say that.

19 MR. WEBB: Carlton, one comment,
20 and then I'm going to call a brief recess,
21 because I'm an old man, and I need a break
22 every so often.

23 MR. SMITH: Bless you.

24 Thank you, Mr. Chairman. I just
25 wanted to echo some of the same concern about

1 timing. I've been involved in three searches.
2 Two searches involved international search
3 firms. And I believe at this level, to find
4 the right fit, that we're going to be talking
5 about a six-month to 12-month process to find
6 that right fit. And we deserve that fit. As
7 stated earlier, the beneficiaries deserve that
8 fit. And, therefore, I'm not going to support
9 the amendment.

10 MR. WEBB: Okay. I'm going to
11 call a 15-minute recess to give us all time to
12 take what some of us need as a break and to
13 relax just a bit, and then we'll convene.
14 Let's say we'll convene at quarter after.

15 MR. NORENE: Mr. Chairman, should
16 we dispose of the amendment at this time?

17 MR. WEBB: I'm going to wait
18 until after the recess and we'll dispose of the
19 amendment -- I need a break.

20 MR. NORENE: Thank you.

21 MR. WEBB: Until quarter after.

22 (Break.)

23 MR. WEBB: All right. We're
24 going to go back on the record. We have a
25 motion on the floor that's been made and

1 seconded and discussed at length.

2 I'll try to restate the motion.

3 Trustee Selby will correct me if
4 I'm wrong, and that would be that the motion is
5 to accept -- is to amend the motion made by
6 Trustee Norene to accept Mr. Jessee's
7 resignation only and defer action on the other
8 two portions of that motion until a time
9 uncertain.

10 Is that correct?

11 MR. SELBY: That's correct.

12 MS. EASLEY: Could I add
13 clarification?

14 MR. SMITH: Use your mic.

15 MS. EASLEY: For the benefit of
16 anyone who would hear this motion -- this
17 amendment, that is -- is a resignation from his
18 position as CEO to a program officer position?
19 Is that correct?

20 MR. SELBY: That's what's being
21 accepted.

22 MS. EASLEY: That's what I want
23 to clarify. Your motion clarified, as a
24 friendly amendment.

25 MR. SELBY: No. The motion was

1 to accept his letter of resignation as
2 written --

3 MS. EASLEY: Okay. Okay. As
4 written. As long as people understand he's not
5 resigning from the Trust.

6 MR. SELBY: Right. Correct.

7 MR. WEBB: Paula, he has a
8 resignation that is effective on the date of
9 his successor's formal appointment.

10 So, that's the only portion
11 that's left of the original motion as based on
12 Trustee Selby's motion to amend the original
13 motion.

14 So it's to accept the resignation
15 subject to the effective date --

16 MR. SELBY: That's correct. And
17 postpone action on the other two portions of
18 the motion, the original motion.

19 MR. WEBB: All right.

20 Satisfactorily clear, Paula?

21 MS. EASLEY: Uh-huh.

22 MR. WEBB: You understand the
23 question?

24 MS. EASLEY: Yes.

25 MR. WEBB: Okay. Roll call vote.

1 All those in favor of the amendment to the
2 original motion?

3 MR. SELBY: Roll call vote,
4 please.

5 MR. WEBB: Roll call vote.

6 MR. SELBY: Yes.

7 MS. EASLEY: In favor, Paula.

8 MR. SELBY: Selby, yes.

9 MS. DERR: Derr, yes.

10 MR. SMITH: Carlton Smith, no.

11 MR. NORENE: Larry Norene, no.

12 MS. MICHAEL: Mary Jane Michael,
13 no.

14 MR. WEBB: And the Chair votes
15 no.

16 The motion fails.

17 Back to the original motion.

18 Is there an amendment to the
19 motion?

20 MS. MICHAEL: Mr. Chairman -- I'm
21 sorry.

22 Mr. Chair, I have an amendment to
23 the motion which would -- in the second
24 paragraph, I further move that the appointment
25 of Greg Jones as -- "temporary" be added CEO of

1 the Trust Authority before --

2 THE REPORTER: Wait a minute.

3 Before what? Say it again.

4 MR. WEBB: Mary Jane, could I
5 try?

6 MS. MICHAEL: Sure.

7 MR. WEBB: The motion is to amend
8 the second paragraph of the original motion to
9 read as follows: I further move that the
10 appointment of -- I further move that the
11 appointment of Greg Jones as interim CEO of the
12 Trust Authority be forwarded immediately to the
13 Chief of Staff to become effective on the date
14 of that approval.

15 Is there a second?

16 MR. NORENE: Second.

17 MR. WEBB: Discussion?

18 MR. NORENE: Mr. Chair, I support
19 the amendment. It helps for clarification.

20 MR. WEBB: Trustee Selby.

21 MR. SELBY: Mr. Chairman, I'd
22 like an explanation for how that's different
23 than what Larry's original motion was.

24 I don't see any real difference
25 in it.

1 MR. WEBB: My understanding would
2 be that the original motion simply appointed
3 Mr. Jones as CEO of the Trust Authority, not on
4 an interim, but presumably on a permanent
5 basis.

6 The amendment, as I understand
7 it, clarifies that Mr. Jones' appointment is on
8 an interim basis.

9 MS. MICHAEL: That's correct.

10 MR. WEBB: Does that answer your
11 question?

12 MR. SELBY: (Nods head.)

13 MR. WEBB: Further discussion?

14 Okay. We'll do a roll call vote,
15 as well. That seems to be the order of the
16 day. We'll follow it.

17 MS. EASLEY: Abstain.

18 MR. WEBB: All right. Trustee
19 Selby.

20 MR. SELBY: Selby votes no.

21 MS. DERR: I'll vote yes.

22 MR. SMITH: Carlton Smith, yes.

23 MR. NORENE: Norene, yes.

24 MS. MICHAEL: Mary Jane Michael,
25 yes.

1 MR. WEBB: Motion carries.

2 The amendment to the original
3 motion is made. Now we're back to the
4 consideration of the original motion, as
5 amended.

6 MS. EASLEY: Mr. Chairman, I have
7 an amendment that in Mr. Jessee's new role
8 as -- at a range 22, I would move that his
9 salary range be the same until this matter is
10 resolved.

11 MR. WEBB: I'm going to try to
12 see if I understand the motion, Paula.

13 If I understand it correctly --

14 MS. EASLEY: His current salary.

15 MR. WEBB: -- as long as he
16 remains as CEO, he has the current salary. His
17 salary does not change until and unless, one,
18 there's a determination of what that salary
19 would be in his new role as program officer;
20 and, two, that it is approved by the Governor's
21 office, and both his -- on the effective date
22 of his resignation, which is on the approval
23 date of his appointment as the program officer
24 and the appointment of his successor as the
25 interim CEO.

1 MS. EASLEY: That's right.

2 MR. WEBB: So his salary will
3 remain the same until he transitions to the new
4 position.

5 MS. EASLEY: I withdraw my
6 amendment.

7 MR. WEBB: All right.

8 So --

9 MR. NORENE: Call the question.

10 MR. WEBB: Further discussion?
11 Ready for the question?
12 We'll do another -- again, roll
13 call vote.

14 MS. EASLEY: Opposed.

15 MR. SELBY: Selby votes no.

16 MS. DERR: Derr votes no.

17 MR. SMITH: Carlton Smith, yes.

18 MR. NORENE: Larry Norene, yes.

19 MS. MICHAEL: Mary Jane Michael,
20 yes.

21 MR. WEBB: And the Chair votes
22 yes. And the motion carries.

23 That concludes --

24 MS. DERR: Mr. Chair --

25 MR. WEBB: Yes.

1 MS. DERR: -- I have one more
2 question in regard to the obtaining of the
3 attorney. Mr. Norene said that that action was
4 taken in Executive Committee, and I would like
5 to know when that Executive Committee met.

6 MR. NORENE: Mr. Chairman, I
7 misstated. It was -- I was Acting Chair in the
8 absence of both the Chair and the Vice Chair,
9 and under the threat of litigation and the
10 recusal of our current legal counsel, I thought
11 it would be best to have counsel available.

12 MR. WEBB: Okay.

13 MS. DERR: Mr. Chair, I don't
14 know that we operate on one board member's
15 thoughts as to when we hire legal advice for
16 the entire board.

17 MR. WEBB: Duly noted.

18 Laraine, we'll look at the bylaws
19 and we'll make sure that we're doing things
20 right.

21 I believe the Chair is authorized
22 to take action on behalf of the board to carry
23 out the business of the Trust on an interim
24 basis. So we'll clarify that that's the case,
25 and if there's a problem, we'll let you know.

1 MR. NORENE: If there's a
2 problem, you will have my apology.

3 MR. WEBB: All right. That --
4 with no further items on the agenda, that
5 concludes the special meeting of the Full Board
6 of Trustees.

7 Is there a motion to adjourn?

8 MS. DERR: Mr. Chair, a very sad
9 day, yes.

10 MR. WEBB: Is there a second?

11 MS. MICHAEL: Second.

12 MR. WEBB: Objection to
13 adjournment?

14 Hearing none, the Full Board
15 meeting is adjourned, and we are moving on to
16 the rest of the agenda for the day, which I
17 believe is the Resource Management Committee
18 meeting.

19 (Special Full Board meeting
20 adjourned at 1:28 p.m.)

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